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SUBJECT: CRACKS IN THE KDP-PUK ALLIANCE?

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[1](#)B. BAGHDAD 157
[1](#)C. BAGHDAD 254

Classified By: Acting Charge d'Affaires Gary Grappo for reasons 1.4 (b) and (d).

[1](#)1. (C) SUMMARY. Cracks are beginning to emerge in the alliance between the Kurdistan Democratic Party (KDP) and Patriotic Union of Kurdistan Party (PUK), as evidenced by the absence of a high-level PUK representative in the KRG delegation that met POTUS on January 25. The erosion of the PUK's party base and the struggle between the PUK and opposition Goran ("Change") Movement have taken their toll, making PUK a weakened and distracted partner for the KDP. Despite calls by KRG President Masoud Barzani for the PUK and Goran to temper their rhetoric and refrain from violence, tensions have continued. The KDP has seized its advantage, forcing Talabani to give up key positions in both the KRG and GOI. PUK-Goran competition and the evolving KDP-PUK partnership could complicate government formation: the PUK and KDP do not yet agree on whom to support for Prime Minister, and it is unclear what might happen if Goran were to win more seats than the PUK. While there is palpable tension within the KDP-PUK alliance, it is too soon to declare that the PUK's demise. Much will depend on how the PUK performs against Goran in the elections, and Barzani and Talabani recognize that a unified front in their dealings with the GOI in Baghdad allows them to play the familiar role of kingmaker in most political deals of consequence. END SUMMARY.

BACKGROUND - KRG ELECTIONS

[1](#)2. (C) Jalal Talabani's PUK suffered significant losses in the July 2009 KRG parliamentary elections, calling into question the bipolar PUK-KDP Kurdish political order that had obtained since 1998. The opposition Goran ("Change") Movement outperformed the PUK in Sulemaniyah traditionally the PUK's stronghold, seriously damaging Talabani's stature. Talabani is no longer on equal footing with KRG President Masoud Barzani, who won 70 percent of the popular vote in his run for the KRG presidency in 2009. The disastrous election results have occasioned a debilitating internal power struggle within PUK, pitting KRG VP Kosrat Rasoul Ali against Halo Ibrahim, Talabani's brother-in-law. The erosion of the PUK's base, together with its ossified and increasingly fractious leadership cadre, have forced Talabani to spend more of his time in Sulemaniyah (vice Baghdad), where he has grudgingly undertaken an effort to reform the party he founded in 1975.

[1](#)3. (C) With Talabani in a weakened state, his former PUK Deputy Nawshirwan Mustafa (now head of Goran Movement) has pounced on the opportunity to weaken him further, luring PUK members to Goran and, in a direct threat to the PUK's base, consolidating power in Sulemaniyah and Kirkuk. Many stalwart

PUK politburo members - resentful of the prosperity their KDP counterparts enjoy with the Barzanis helming the regional government in Erbil - blame Talabani for their predicament. While Talabani is preoccupied with restructuring the PUK, the KDP is moving to put the controversial draft KRG constitution, which would strengthen the office of the KRG presidency, to a referendum in fall 2010. (Note: The new KRG draft constitution allows the President to extend his term by two more years. The authority and power given to the President are considered absolute because it stipulates that s/he would have the ability to dissolve the Kurdish parliament.) End Note.) Qparliament. End Note.)

KRG PREMIERSHIP AND CABINET FORMATION

¶4. (C) It took some groveling by Talabani with KRG President Barzani to ensure that Talabani's protege, Barham Salih, assumed the KRG premiership in November 2009. Influential KDP leaders Rowsch Shaways and Fuad Hussein grumbled that the PUK had lost Sulemaniyah and did not deserve to run the KRG, hence an agreement between Talabani and Barzani that Salih would only serve a two-year term. In December, there were rumors that Salih planned to resign his post to protest efforts by former KRG PM Nechirvan Barzani (nephew of KRG President Barzani) and his allies to block Salih's reform initiatives. Friad Rwanduzi, leader of the PUK bloc in the national Council of Representatives, lamented that with only two years, Salih would have to rush to institute reforms and raise his stature - and the PUK's - with the Kurdish people. Partly as a consequence of the drama related to the PM position, KRG cabinet formation was more tumultuous than usual. Salih struggled with KDP hardliners to replace old faces in the cabinet with new individuals in an attempt to demonstrate to Kurds that the KDP-PUK alliance was responsive to demands that it be more accountable and transparent in its governance.

¶5. (C) Although Salih was able to remove a KDPer, Dindar Zebari, from the UN Liaison position, the KDP forced Salih to retain KRG Minister of Natural Resources Ashti Hawrami (a close friend of Nechirvan Barzani), whose truculence has hindered progress on a hydrocarbons law and oil revenue issues. In January, Salih published two pre-2005 KRG oil contracts on the KRG's website (ref B) and has discussed possible resolutions with Baghdad in an apparent attempt to end-run Hawrami.

IRAQI DPM POSITION AND ELECTION LAW NEGOTIATIONS

¶6. (C) Barham Salih vacated the GOI Deputy Prime Minister (DPM) position in September 2009 and moved north to assume his responsibilities as KRG Prime Minister. Most PUK politicians assumed the DPM position in Baghdad would be filled with another PUK leader. The leader of the Kurdish Alliance List (KAL) bloc in the COR, Fuad Masoum, was nominated for and wanted the position; however, Salih was instead replaced by senior KDP leader Rowsch Shaways, who was voted in by the COR on January 10. Observers have interpreted the move as a sign of the KDP's strength relative to the diminished PUK.

¶7. (C) In another sign that the KDP has become less reticent about flexing its political muscle, the November-December 2009 election law negotiations culminated in President Barzani ostensibly delegating authority to a delegation led by Iraqi Kurdistan Parliament (IKP) Speaker Kamal Kirkuki (KDP). PUK parliamentary leaders Fuad Masoum, Friad Rwanduzi, and Khalid Schwany were mortified when Kirkuki, working closely with several IKP parliamentarians from Goran who accompanied Kirkuki to Baghdad, pressured PUK representatives on an election law compromise. Rwanduzi was sharply critical, claiming "Kirkuki has no business in Baghdad - he has a small brain and is unable to think beyond the borders of his small office!" PUK-KDP tensions flared. Rwanduzi and Kirkuki are at odds and exchanging barbs in the

press.

CONSTITUTIONAL REFORM AND GOVERNMENT FORMATION

¶18. (C) If, as appears increasingly likely, a constitutional amendment is not adopted to extend the veto power of the GOI President into the next administration, PUK insiders have told us the Kurds may not fight for Talabani to keep the presidency. The KAL may instead bargain it away for what would be the more powerful position of COR Speaker. Such a development would take Talabani out of the game in Baghdad and further diminish the PUK's status in Kurdistan and in relation to the KDP. However, in a sign that Barzani may be nervous about losing Talabani as a strategic partner and national-level figure of stability, Barzani confidante Rowsch Shaways told Emboffs on February 1 that Talabani had definitively decided he wanted the presidency and that Barzani would support him for it. Nonetheless, a number of Kurdish politicians have told us they dread the upcoming government formation process, especially since the PUK and KDP have not agreed on whom they would support for the Prime Minister position.

¶19. (C) Adding further strain to the PUK-KDP partnership is uncertainty about how many seats the PUK and Goran may win in the national elections. Goran leader Nawshirwan Mustafa told Qthe national elections. Goran leader Nawshirwan Mustafa told Ambassador on January 26 that he predicted Goran would take about 15 of the 60-odd seats the Kurds expected to win, while the PUK would take 8-10, and the KDP at least 30 seats. Other observers have told us they expect Goran and the PUK to take roughly the same number of seats. Rowsch Shaways insisted that the KDP would continue to adhere to its strategic partnership with the PUK, even if the latter failed to win as many seats as Goran. However, such a result could call into question the logic of continuing to divide national Kurdish leadership positions evenly between the PUK and KDP.

¶10. (C) COMMENT: The absence of a high-level PUK representative in the KRG delegation that met POTUS on January 25 is evidence of the imbalance of power between KDP and PUK. There is palpable tension within the KDP-PUK alliance and some argue that the PUK's demise is imminent; however, much will depend on how the PUK performs against Goran in the March 7 elections. In the interim, both Barzani and Talabani recognize that the fight for Kurdish interests is in Baghdad, and that presenting a unified front to the GOI allows them to play the familiar role of kingmaker in most political deals of consequence. Moreover, the KDP and PUK need each other in the IKP, where Goran's message of reform and transparency resonate, especially with younger voters (of whom there are many). In the IKR, politics is business and business is politics. For Barzani, Talabani and the PUK - who have born the brunt of Goran's criticism of traditional Kurdish politics - are useful buffers against calls for change. Losing Talabani and the PUK as partners would compel Barzani and the KDP to reach a modus vivendi with Goran - whom it does not see as a natural partner - to preserve the heft of the Kurdish bloc in national politics. END COMMENT.
HILL